



**CALIFORNIA STATE
PUBLIC WORKS BOARD**

ARNOLD SCHWARZENEGGER, GOVERNOR

915 L STREET ■ NINTH FLOOR ■ SACRAMENTO CA ■ 95814-3706 ■ (916) 445-9694

MEETING AGENDA WITH ANALYSIS

**NOTICE OF MEETING
STATE PUBLIC WORKS BOARD**

**Tuesday
April 1, 2008**

The **STATE PUBLIC WORKS BOARD** will meet on **Tuesday April 1, 2008, at 10:00 a.m. in Room 2040, State Capitol, Sacramento, California.** In accordance with provisions of Section 11125 of the Government Code, a copy of the Agenda is attached.

Greg Rogers
Administrative Secretary

Attachment

STATE PUBLIC WORKS BOARD

Tuesday
April 1, 2008
10:00 a.m.
Room 2040

State Capitol
Sacramento, California

I. Roll Call

Michael C. Genest, Director, Department of Finance
Will Bush, Director, Department of General Services
Will Kempton, Director, Department of Transportation
John Chiang, Controller, State Controller's Office
Bill Lockyer, Treasurer, State Treasurer's Office

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Patrick W. Henning, Director, Employment Development Department
(Advisory Member)

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Assembly Member, Legislative Advisor
Assembly Member, Legislative Advisor
Assembly Member, Legislative Advisor
Senator Darrell Steinberg, Legislative Advisor
Senator, Denise Ducheny, Legislative Advisor
Senator, Carole Migden, Legislative Advisor

II. Approval of minutes from the March 14, 2008 meeting
Report on conditional approvals of last meeting.

III. Bond Items	Page 3
IV. Consent Items	Page 11
V. Action Items	Page 14
VI. Other Business	Page 17
VII. Reportables	Page 17

BOND ITEM

BOND ITEM – 1

**DEPARTMENT OF GENERAL SERVICES (1760)
OFFICE BUILDING 10 RENOVATION
SACRAMENTO COUNTY**

*Authority: Chapter 106/01, Item 1760-301-0660 (2)
and Chapter 379/02, Item 1760-301-0660 (3)
as reappropriated by the Budget Acts of 2003 and 2005*

Adopt resolution to:

1. Authorize the sale of the PWB Lease Revenue Bonds—Department of General Services, 2008 Series D, Office Building 10 Renovation.
2. Approve the form of and authorize the execution of an Eighty Fourth Supplemental Indenture between the State Treasurer and the PWB.
3. Approve the form of and authorize the execution of a Lease between the Department of General Services and the PWB.
4. Approve the form of and authorize the execution of a Lease between the Department of General Services and the PWB.
5. Approve the form of and authorize the execution of a Continuing Disclosure Agreement between the Department of General Services, the PWB, and the State Treasurers Office.
6. Approve the form of and authorize the delivery of a Preliminary Official Statement.
7. Approve and authorize the delivery of an Official Statement.
8. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Estimated Project Costs to be Financed:	\$24,872,000
Estimated Par Value of Bonds to be Issued:	\$27,140,000
"To Not Exceed" Par Amount to be Approximately:	\$33,000,000

BOND ITEM

STAFF ANALYSIS - ITEM 1

Department of General Services
Office Building 10 Renovation
Sacramento County

Action Requested

The requested action would authorize the sale of the lease revenue bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution and delivery of a supplemental indenture, site lease, facility lease, continuing disclosure agreement and the delivery of a preliminary official statement and an official statement.

Scope Description

This project is within scope. This project renovated a six story office building (approx. 145,800 GSF). Work included demolition of all interior partitions including removal of existing finishes, new finishes, an up-grade to the mechanical, plumbing, electrical and data wiring, up-grade to Access and Life Safety items to the 2001 California Building Code, and provided modular work stations, private offices, conference rooms, ancillary areas, etc. The project also included the abatement of hazardous materials (lead paint, asbestos, etc.) Special consideration was given to maintain the historic elements that are considered significant.

Funding and Cost Verification

This project is within cost.

\$24,872,000 total estimated project costs

\$24,872,000 project costs from lease revenue financing

\$24,872,000 project costs previously allocated: preliminary plans \$947,000, working drawings \$1,258,000, and construction \$22,667,000 (construction contract \$17,080,000, construction contingency \$1,196,000, A&E Services \$1,949,000, and other project costs \$2,442,000)

CEQA

A Notice of Determination was filed with the State Clearinghouse on November 18, 2003 and the waiting period expired on December 19, 2003.

Project Schedule

The project schedule is as follows:

Approve preliminary plans:	December 2003
Approve working drawings:	September 2005
Complete construction:	November 2007

Real Estate Due Diligence

The Due Diligence research, of the conditions of title, was completed in 2003. It was confirmed that fee title to the property is held by the State of California and the Department of General Services maintains jurisdiction, of the bonded area. No recorded or unrecorded conditions affecting use of the financed facility were identified.

Staff Recommendation: **Adopt resolution.**

BOND ITEM

BOND ITEM 2

**CALIFORNIA COMMUNITY COLLEGES (6870)
ADVANCED TECHNOLOGY CENTER, VICTOR VALLEY COLLEGE
SAN BERNARDINO COUNTY**

Authority: *Chapter 33/02, Section 34*

Adopt resolution to:

1. Authorize the sale of the PWB Lease Revenue Bonds—Community Colleges of California, 2008 Series E, Advanced Technology Center Project.
2. Approve the form of and authorize the execution of an Eighty Fifth Supplemental Indenture between the State Treasurer and the PWB.
3. Approve the form of and authorize the execution of a Site Lease between the Victor Valley Community College District and the PWB.
4. Approve the form of and authorize the execution of a Facility Lease between the Victor Valley Community College District and the PWB.
5. Approve the form of and authorize the execution of a Continuing Disclosure Agreement between the Victor Valley Community College District, the PWB, and the State Treasurers Office.
6. Approve the form of and authorize the delivery of a Preliminary Official Statement.
7. Approve and authorize the delivery of an Official Statement.
8. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Estimated Project Costs to be Financed:	\$19,572,000
Estimated Par Value of Bonds to be Issued:	\$20,885,000
"To Not Exceed" Par Amount to be Approximately:	\$25,500,000

BOND ITEM

STAFF ANALYSIS - ITEM 2

Community Colleges of California
Advanced Technology Center
San Bernardino County

Action Requested

The requested action would authorize the sale of the lease revenue bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution and delivery of a supplemental indenture, site lease, facility lease, continuing disclosure agreement and the delivery of a preliminary official statement and an official statement.

Scope Description

This project is within scope. This project constructed a 48,641 gross square foot, steel moment resisting frame, Advanced Technology Center. The project is located in a central location on the Victor Valley campus and is designed to be compatible with other campus facilities being developed as part of the master plan. The Victor Valley Project serves as the technology hub for the campus and allows for the integration of voice, video and data technology into all aspects of the curriculum and a support system to allow individualized student learning and distance learning. Specific functions in the Victor Valley Project include multipurpose lab, distance learning activities, individualized study area, teleconferencing, staff development and related technology and audiovisual learning activities and services. The Victor Valley Project is expected to be completed and occupied in March 2008.

Funding and Cost Verification

This project is within cost.

\$19,572,000 total estimated project cost

\$19,572,000 project costs from lease revenue financing

\$19,572,000 project costs previously allocated: construction \$16,620,000 (construction contract \$14,248,000, construction contingency \$712,000, A&E Services \$228,000, and other project costs \$1,432,000), equipment \$2,952,000

CEQA

A Notice of Exemption #1999128259 was filed with the State Clearinghouse on December 28, 1999 and the waiting period has expired.

Project Schedule

The project schedule is as follows:

Approve preliminary plans:	June 2000
Approve working drawings:	November 2005
Complete construction:	March 2008

Real Estate Due Diligence

Due diligence memo summarizing conditions of title was completed by DGS on March 29, 2005 and updated on August 30, 2005 and February 8, 2008.

Staff Recommendation: **Adopt resolution.**

BOND ITEM

BOND ITEM – 3

**DEPARTMENT OF GENERAL SERVICES (1760)
DEPARTMENT OF JUSTICE (0820)
SANTA ROSA REPLACEMENT LABORATORY
SONOMA COUNTY**

Authority: Chapters 38/39, Statutes of 2005, Item 0820-301-0660 (1)

Adopt resolution to:

1. Authorize the sale of the PWB Lease Revenue Bonds—The Department of Justice, 2008 Series F, Santa Rosa Replacement Laboratory.
2. Approve the form of and authorize the execution of an Eighty-Sixth Supplemental Indenture between the State Treasurer and the PWB.
3. Approve the form of and authorize the execution of a Site Lease between the Department of Justice and the PWB.
4. Approve the form of and authorize the execution of a Facility Lease between the Department of Justice and the PWB.
5. Approve the form of and authorize the execution of a Continuing Disclosure Agreement between the Department of Justice, the PWB, and the State Treasurers Office.
6. Approve the form of and authorize the delivery of a Preliminary Official Statement.
7. Approve and authorize the delivery of an Official Statement.
8. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Estimated Project Costs to be Financed:	\$10,585,058
Estimated Par Value of Bonds to be Issued:	\$10,865,000
"To Not Exceed" Par Amount to be Approximately:	\$13,500,000

BOND ITEM

STAFF ANALYSIS - ITEM 3

Department of General Services
Department of Justice
Santa Rosa Replacement Laboratory
Sonoma County

Action Requested

The requested action would authorize the sale of the lease revenue bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution and delivery of a supplemental indenture, site lease, facility lease, continuing disclosure agreement and the delivery of a preliminary official statement and an official statement.

Scope Description

This project is within scope. This project replaces the existing laboratory and administrative spaces. The laboratory area consists of the following: central evidence, firearms laboratory, serology laboratory, and a controlled substance laboratory. The administrative area consists of the following: reception area, offices, records file and supply room, conference room, library, decontamination showers, lockers, and rest rooms.

Funding and Cost Verification

This project is within cost.

\$11,177,000 total estimated project costs

\$10,126,000 project costs from lease revenue financing

\$11,177,000 project costs previously allocated: acquisition \$525,000, preliminary plans \$215,000, working drawings \$311,000, and construction \$10,126,000 (construction contract \$8,334,000, construction contingency \$400,000, A&E Services \$807,000, and other project costs \$585,000)

CEQA

A Notice of Determination was filed with the State Clearinghouse on February 29, 2000, and the waiting period expired on March 31, 2000.

Project Schedule

The project schedule is as follows:

Approve working drawings: July 2005
Complete construction: February 2008

Real Estate Due Diligence

Due Diligence for this project was completed in October 2002.

Staff Recommendation: Adopt resolution.

BOND ITEM

BOND ITEM – 4

**DEPARTMENT OF EDUCATION, STATE SPECIAL SCHOOLS (6110)
CALIFORNIA SCHOOL FOR THE DEAF, FREMONT, PUPIL PERSONNEL SERVICES
BUILDING
ALAMEDA COUNTY**

Authority: Chapter 208/04 Item 6110-301-0660 (2)

Adopt resolution to:

1. Authorize the sale of the PWB Lease Revenue Bonds—Department of Education, 2008 Series G, California School for the Deaf, Pupil, Personnel Services Building.
2. Approve the form of and authorize the execution of an Eighty Seventh Supplemental Indenture between the State Treasurer and the PWB.
3. Approve the form of and authorize the execution of a Lease between the Department of Education and the PWB.
4. Approve the form of and authorize the execution of a Lease between the Department of Education and the PWB.
5. Approve the form of and authorize the execution of a Continuing Disclosure Agreement between the Department of Education, the PWB, and the State Treasurers Office.
6. Approve the form of and authorize the delivery of a Preliminary Official Statement.
7. Approve and authorize the delivery of an Official Statement.
8. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Estimated Project Costs to be Financed:	\$3,625,000
Estimated Par Value of Bonds to be Issued:	\$4,005,000
"To Not Exceed" Par Amount to be Approximately:	\$5,000,000

BOND ITEM

STAFF ANALYSIS - ITEM 4

Department of Education, State Special Schools
California School for the Deaf, Fremont, Pupil Personnel Services Building
Alameda County

Action Requested

The requested action would authorize the sale of the lease revenue bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution and delivery of a supplemental indenture, site lease, facility lease, continuing disclosure agreement and the delivery of a preliminary official statement and an official statement.

Scope Description

This project is within scope. This project designed and constructed an 8,922 square foot building for Pupil Personnel Services. The building is single story, 1 hr fire rated, wood frame constructed, in compliance with Field Act requirements and blends architecturally with adjacent structures.

Funding and Cost Verification

This project is within cost.

\$3,882,000 total estimated project costs

\$3,625,000 project costs from lease revenue financing

\$3,882,000 project costs previously allocated: preliminary plans \$111,000, working drawings \$146,000, and construction \$3,625,000 (construction contract \$3,112,000, construction contingency \$140,000, A&E Services and other project costs \$321,000)

CEQA

A Notice of Exemption/Determination was filed with the State Clearinghouse on October 13, 2000 and the waiting period expired on November 17, 2000.

Project Schedule

The project schedule is as follows:

Approve preliminary plans:	May 2001
Approve working drawings:	January 2005
Complete construction:	December 2006

Real Estate Due Diligence

The Due Diligence research, of the conditions of title, was completed in 2003. It was confirmed that fee title to the property is held by the State of California and the Department of Education maintains jurisdiction, of the bonded area. No recorded or unrecorded conditions affecting title or use of the bonded area were identified.

Staff Recommendation: Adopt resolution.

CONSENT ITEM

CONSENT ITEM 1

DEPARTMENT OF GENERAL SERVICES (1760)
CALIFORNIA HIGHWAY PATROL (2720)
OAKHURST AREA OFFICE-REPLACEMENT FACILITY
MADERA COUNTY
CHP 503A, DGS PARCEL NUMBER 10432

*Authority: Chapters 47 and 48/06, Item 2720-301-0044 (2)
Chapters 171 and 172/07, Item 2720-301-0044 (1)*

- a. Authorize acquisition consistent with the staff analysis
- b. Approve augmentation **\$201,913**
(11.91 percent of project cost)
- c. Approve scope change

CONSENT ITEM

STAFF ANALYSIS - ITEM 1

Department of General Services
California Highway Patrol
Oakhurst Area Office-Replacement Facility
Madera County

Action requested

The requested action will authorize acquisition, approve a scope change and augmentation of the acquisition phase of this project.

Scope

This project is not within scope. This request will authorize the Department of General Services (DGS) to acquire approximately 2.10 acres of land on behalf of the Department of the California Highway Patrol (CHP) for the purpose of constructing a new CHP facility. The current facility is housed in two trailers on a Caltrans maintenance yard in Coarsegold. A new facility is needed to provide a more efficient response and enforcement presence in the Oakhurst area and Highway 49.

The CHP also requests a scope change to recognize an increase in the size of this facility. The original scope provided for the construction of a 9,762 sq ft area office with parking, a fuel island, auto bay and various support and utility buildings. Unfortunately, the scope's 9,762 sq ft figure presented to the Legislature inadvertently did not include the 3,779 sq ft necessary for the auto bay. However, the estimate's cost of the Project was based on the intended sq ft of 13,541. Therefore, the CHP requests the scope change to recognize the 13,541 sq ft needed to build the facility, which includes the office building and auto bay. This Project will meet CHP's mission to serve the public and provide a more efficient response time and enforcement presence on the Highway 49 corridor.

Funding and Cost Verification

This project is not within cost. Chapters 47 and 48, Budget Act of 2006, provides \$1,059,000 for acquisition (\$645,000) and preliminary plans (\$414,000) and, Chapters 171 and 172, Budget Act of 2007, provides \$636,000 for working drawings. The CHP requests an augmentation in the amount of \$201,913 (11.9 percent of project) for unforeseen site conditions (\$123,396), and DGS fee increases (\$78,517) in order to proceed with this project.

The acquisition phase project funding (\$645,000) did not account for purchasing sewer capacity ahead of construction in order to meet CEQA, nor a tree removal mitigation plan. In addition, the actual cost of the property has increased from the initial estimates as well as the DGS hourly rate for Architectural & Engineering, project management, real estate and environmental staff which are also included in this \$201,913 augmentation request.

On March 6, 2008 the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and Assembly Appropriations Committees of its intent to approve this augmentation and scope change not less than 20 days from the above date.

\$10,917,913	total estimated project costs
\$10,716,000	total authorized project costs
\$545,000	project costs previously allocated
\$10,171,000	project costs to be allocated: acquisition \$100,000; preliminary plans \$414,000; working drawings \$636,000; construction \$9,021,000; (contract \$6,729,800; contingency \$336,500; A&E \$1,697,820; project management \$206,880; agency retained \$50,000).
\$201,913	augmentation request to complete the acquisition: fees A&E \$41,087, special consultants \$40,770, project management \$35,430, acquisition \$82,626, environmental \$2,000.

CEQA

The project has met all CEQA requirements. The public review period ended February 11, 2006; no comments were received. The CEQA Notice of Determination is now at the State Clearing House for the required 30 day Statutes of Limitation period which will end March 13, 2008. A permit from the Department of Fish and Game for the seasonal water run off area has been obtained. Sewer capacity has been purchased from Madera County Utility District.

Project Schedule

The project schedule is as follows:

Approve acquisition:	April 2008
Approve preliminary plans:	January 2009
Complete working drawings:	July 2009
Complete construction:	February 2011

Condition of Property

Over the past six months, DGS, Environmental Services Section (ESS) Staff have visited the proposed property for the California Highway Patrol Oakhurst Area Office in Madera County. The property is essentially undeveloped and undisturbed, but is surrounded by Highway 49 on the east, Redbud Road on the south, undeveloped property on the north, and a housing

subdivision on the west. The property is representative of Sierra foothills habitat with scattered Interior Live Oaks, native and non-native grassland, and an ephemeral stream on the extreme northerly portion of the property.

In addition to the site visits, DGS-ESS personnel reviewed a Phase 1 Environmental Site Assessment, prepared October 2007. The ESA found conditions in connection with the property: A septic system used for the Kaiser Oakhurst Community Medical Center which is located nearby, and a homeless encampment located just beyond the west end of the subject property. The Phase 1 ESA recommended the removal of both. In addition, due to the septic system on the property, DGS performed Phase II testing of the soil for possible intrusion from the septic system. The soil was found to be clear of any contaminants.

- The septic system together with all associated equipment and hardware will be removed at the seller's cost (complete by first week of April).
- The homeless encampment has been removed.

Other

- The PWB approved this project for site selection on March 9, 2007.
- All utility connections are available at the site.
- The purchase price will not exceed the estimated fair market value as determined by an appraisal reviewed by DGS.
- The property is vacant and unimproved and there is no relocation assistance involved with the project.
- There is no implied dedication applicable to this property.
- The CHP is not aware of any lawsuits pending concerning the property. The Property Acquisition Agreement will require delivery of title to the property free and clear of any mortgages or liens.

Staff Recommendation: **Authorize acquisition, approve scope change and augmentation.**

ACTION ITEM

ACTION ITEM 1

**DEPARTMENT OF FORESTRY AND FIRE PROTECTION (3540)
WEAVERVILLE FOREST FIRE STATION, RELOCATE FACILITY
TRINITY COUNTY**

*Authority: Chapter 324/98, Item 3540-301-0001 (12)
Chapter 50/99, Item 3540-301-0001 (15)
Chapter 106/01, Item 3540-301-0001 (13)
Chapter 208/04, Item 3540-301-0660 (3)
Chapter 47/06, Item 3540-301-0660 (1.5)*

Approve augmentation

**\$75,000
(2.0 percent total project)
(14.1 percent cumulative)**

ACTION ITEM

STAFF ANALYSIS – ITEM 1

Department Of Forestry and Fire Protection (3540)
Weaverville Forest Fire Station, Relocate Facility
Trinity County

Action requested

The requested action will approve augmentation of the construction funds for this project.

Scope Description

This project is within scope. The project authorizes the construction of a standard CDF 14-bed barracks/messhall building, 2-bay apparatus building, office building, a flammable storage building, fueling facility, water, electrical, and LPG services, grading and site work, utilities, paving, and all appurtenances. A domestic water system was previously added to the project on February 26, 2007, to increase the water pressure at the site.

Funding and Cost Verification

This project is not within cost. A total of \$3,746,000 (\$407,000 General Fund and \$3,339,000 lease revenue funds) has been appropriated for acquisition, preliminary plans, working drawings, and construction for this project. CAL FIRE has requested an augmentation of \$75,000 to provide a booster pump and related valves and controls to increase the on-site water pressure for the Weaverville Forest Fire Station project. This augmentation, combined with previous augmentations totaling \$397,000 (\$214,000 for the water pump system and \$183,000 to remedy an unstable hillside) will result in a cumulative augmentation of \$472,000 (14.1 percent total project).

The newly installed domestic water system that was added to the project did not sufficiently increase the water pressure for the facility. The Department of General Services (DGS) determined that an additional booster pump would be needed to deliver the adequate water pressure and volume to the site. The booster pump was then installed and resolved the water pressure problem.

The DGS project director authorized the installation of a booster pump utilizing project funds set aside to close out the contract, which resulted in a budget shortfall of \$75,000. He mistakenly believed that he had the authority to use existing funds with the intention that the funds would be restored at a later date. Because the project director that authorized this expenditure is no longer employed by the state, this issue was only discovered when the new project director assumed this project and reviewed the available project funding. While it is recognized that this item is essential to the project, it is also recognized that DGS did not follow the proper procedures.

The Real Estate Services Division of DGS has committed to ensuring project directors are aware of and follow existing policies and procedures and assured the Department of Finance that proper controls will be followed to prevent this type of situation in the future. If the PWB does not provide this augmentation, the state could potentially be held liable for the remaining balance of the contract, which could lead to legal claims against the state. Although it is recommended that this augmentation be approved, this request is being highlighted to reinforce the importance of following policy and to help ensure future compliance.

On February 26, 2008, the Department of Finance notified the chairs of the Joint Legislative Budget, the Senate Appropriations, and the Assembly Appropriations Committees of its recommendation that the PWB approve this augmentation.

\$3,821,000 total authorized project costs

\$3,746,000 total authorized project costs

\$3,746,860 total project costs previously allocated: acquisition \$208,000, preliminary plans \$53,000, working drawings \$165,000, and construction \$3,320,000 (contract \$2,827,000, contingency \$121,500, and A&E \$371,500)

\$ 75,000 requested augmentation

CEQA

A Notice of Determination was filed with the State Clearinghouse on January 2, 2000 and the waiting period expired on February 3, 2000.

Real Estate Due Diligence

The Department of General Services prepared an Update of Conditions of Title Memo for this project on September 12, 2007 and no significant issues were identified.

Project Schedule

The project schedule is as follows:

Approve preliminary plans:	January 2002
Approve working drawings:	March 2005
Complete construction:	August 2007

Staff Recommendation: Approve augmentation.

OTHER BUSINESS

NONE

REPORTABLES

NONE